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Attorneys for Defendant Quicken Loans, Inc.

UNITED STATES DISTRICT COURT
 FOR THE NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION

PROVIDENT FUNDING
 ASSOCIATES, L.P.,

Plaintiff,

v.

QUICKEN LOANS INC., and DOES 1
 through 20,

Defendants.

Case No. C-07-5680 JCS

**JOINT CASE MANAGEMENT
 STATEMENT**

Magistrate Judge:

Hon. Joseph C. Spero

DATE: February 15, 2008

TIME: 1:30 P.M.

PLACE: Courtroom A

Plaintiff Provident Funding Associates, L.P. ("Provident Funding") and
 Defendant Quicken Loans Inc. ("Quicken Loans") hereby submit the following
 Joint Case Management Statement pursuant to Rule 26(f) of the Federal Rules of
 Civil Procedure and Civil Local Rule 16-9(a):

1. Jurisdiction and Service: This Court has subject matter jurisdiction
 under 28 U.S.C. § 1332(a), and the action was removed by Quicken Loans pursuant

1 to 28 U.S.C. § 1441(b). The amount in controversy as alleged by Provident
2 Funding exceeds the sum of \$75,000, exclusive of interest and costs. No issues
3 exist regarding personal jurisdiction or venue, and no parties remain to be served.

4 2. Facts: On or about October 1, 2006 Provident Funding and Quicken
5 Loans entered into and executed a written Correspondent Seller Agreement (the
6 "Agreement"), pursuant to which Quicken Loans agreed to originate mortgage
7 loans and sell them to Provident Funding. A copy of the Agreement is attached to
8 the Complaint as Exhibit 1. Pursuant to the Agreement, Quicken Loans made
9 certain representations and warranties concerning the mortgage loans to be sold by
10 it to Provident Funding. Quicken Loans also agreed to repurchase any mortgage
11 loans sold to Provident Funding upon receipt of written notice from Provident
12 Funding of certain events and circumstances, including without limitation certain
13 early payment defaults by borrowers.

14 Provident Funding contends that Quicken Loans is in default of its
15 obligations under the Agreement as a result of its failure and refusal to (i)
16 repurchase certain mortgage loans and (ii) indemnify and hold harmless Provident
17 Funding for the life of other mortgage loans from any damages that it may incur.
18 Provident Funding contends that there were numerous early payment defaults by
19 borrowers, as a result of which Provident Funding will be required either to (i)
20 repurchase the mortgage loans from the investors to whom Provident has resold
21 such mortgage loans, or (ii) indemnify and hold harmless the investors for the life
22 of the mortgage loans from any damages or losses that the investors may
23 subsequently incur. The Complaint identifies 67 loans in this category. Provident
24 also contends that other mortgage loans have defects that constitute material
25 breaches of representations and warranties made by Quicken Loans pursuant to the
26 Agreement and require repurchase by Quicken Loans. The Complaint identifies 7
27 such loans.

1 Quicken Loans denies liability and contends that the loans Provident Funding
2 has identified do not present a risk of financial loss to Provident Funding, and/or do
3 not have defects that constitute material breaches of Quicken Loans'
4 representations and warranties under the Agreement.

5 3. Legal Issues: Provident Funding contends that it is entitled to
6 declaratory relief as to the defaults of Quicken Loans under the Agreement and has
7 also sued for damages, in an amount not presently known, for breach of the
8 Agreement. Quicken Loans denies that Provident Funding is entitled to declaratory
9 relief or damages. The parties are not presently aware of any disputed points of law
10 and believe that the issues to be resolved are primarily factual in nature.

11 4. Motions: There are no prior or pending motions. The parties
12 anticipate filing motions for summary judgment.

13 5. Amendment of Pleadings: Provident notes that since the filing of the
14 Complaint, there have been changes in the status of certain of the loans sold to it by
15 Quicken Loans. However, Provident Funding does not believe that an amendment
16 of the Complaint is required under the circumstances. Quicken Loans does not
17 believe that an amendment of its Answer is required.

18 6. Evidence Preservation: The parties have taken appropriate measures
19 to preserve evidence, including interdiction of any document-destruction programs
20 and any ongoing erasures of e-mails, voice mails, and other electronically-recorded
21 material.

22 7. Disclosures: The parties intend to comply fully and timely with the
23 initial disclosure requirements of Fed. R. Civ. P. 26 by no later than February 8,
24 2008, the date specified by this Court.

25 8. Discovery: No discovery has been taken to date. The parties
26 anticipate written discovery, consisting of interrogatories, requests for admissions,
27 and requests for production of documents, followed by depositions. Discovery will
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1 be primarily focused on whether there have been defaults under loans sold by
2 Quicken Loans to Provident Funding and what relief, if any, Provident Funding is
3 entitled to as a result. The parties are not proposing any limitations or
4 modifications of the discovery rules. The parties anticipate that written discovery
5 and depositions will be completed by June 30, 2008. There is also a possibility that
6 the parties may need to engage in expert witness discovery, primarily on the issue
7 of damages, which would be completed by August 29, 2008.

8 9. Class Actions: Not applicable.

9 10. Related Cases: Not applicable.

10 11. Relief: Provident Funding seeks both declaratory relief and damages
11 for breach of the Agreement. Provident Funding is not yet able to calculate its
12 damages, which will depend upon a variety of factors, including the extent to which
13 Quicken Loans repurchases loans or agrees to provide an indemnity to Provident
14 Funding. The amount of damages will also depend upon actions taken by investors
15 who purchased the mortgage loans from Provident Funding, as well as the extent to
16 which borrowers make required loan payments and otherwise avoid defaults that
17 would lead to foreclosures. Quicken Loans denies that Provident Funding is
18 entitled to the relief it seeks.

19 12. Settlement and ADR: The parties have been engaged in settlement
20 discussions. They have also stipulated to mediation pursuant to ADR L.R. 6.
21 Provident Funding has voluntarily provided information to Quicken Loans
22 concerning the payment history of borrowers on the subject loans. Written
23 discovery may also be needed to establish the legal position of the parties with
24 respect to each loan.

25 13. Consent to Magistrate Judge For All Purposes: The parties have
26 consented to have Magistrate Judge Spero conduct all further proceedings including
27 trial and entry of judgment.

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1 14. Other References: The parties do not believe that the case is suitable
2 for reference to binding arbitration, a special master, or the Judicial Panel on
3 Multidistrict Litigation.

4 15. Narrowing of Issues: The parties do not presently believe that the
5 issues can be narrowed by agreement or by motion (other than summary judgment),
6 do not currently have any suggestions to expedite the presentation of evidence at
7 trial, and are not presently requesting to bifurcate issues, claims, or defenses.

8 16. Expedited Schedule: The parties do not believe that this is a type of
9 case that can be handled on an expedited basis with streamlined procedures.

10 17. Scheduling: The parties propose that percipient witness discovery be
11 completed by June 30, 2008, that expert witnesses be designated by July 14, 2008,
12 and that dispositive motions be heard by September 22, 2008. The parties also
13 propose that the pretrial conference and trial be set depending upon this Court's
14 availability during the fall of 2008.

15 18. Trial: Quicken Loans has requested that the case be tried to a jury.
16 The parties are not yet able to estimate accurately the expected length of the trial,
17 due to uncertainty as to how many loans might still be in dispute at the time of any
18 trial. The parties believe that the trial will not likely take longer than five days.
19 The parties do not yet have a reliable estimate as to the number of witnesses,
20 experts, or exhibits.

21 19. Disclosure of Non-party Interested Entities or Persons: Each party has
22 filed the "Certification of Interested Entities or Persons" required by Civil Local
23 Rule 3-16. Provident Funding restates the contents of its certification as follows:
24 "Pursuant to Civil L.R. 3-16, the undersigned certifies that the following listed
25 persons, associations of persons, firms, partnerships, corporations (including parent
26 corporations) or other entities (i) have a financial interest in the subject matter in
27 controversy or in a party to the proceeding, or (ii) have a non-financial interest in
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1 that subject matter or in a party that could be substantially affected by the outcome
2 of this proceeding:

- 3 1. Provident Funding Group, Inc.: general partner;
- 4 2. Craig Pica: partner/shareholder;
- 5 3. Doug Pica: partner/shareholder;
- 6 4. Ralph Pica: partner/shareholder;
- 7 5. Michelle Blake: partner/shareholder.”

8 Quicken Loans restates the contents of its certification as follows: “Pursuant to
9 Civil L.R. 3-16, the undersigned certifies that as of this date, other than the named
10 parties, there is no such interest to report.”

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12 Dated: February 8, 2008

HOGAN & HARTSON LLP

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14 By /s/ Neil R. O'Hanlon

15 Attorneys for Plaintiff Provident Funding
16 Associates, L.P.

17 Dated: February 8, 2008

GOODWIN PROCTER LLP

18 By /s/ Robert B. Bader

19 Attorneys for Defendant Quicken Loans Inc.
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